

GENERAL INSTRUCTIONS

Throughout these instructions, you and your refers to the reporting savings association and its consolidated subsidiaries; we and our refers to the Office of Thrift Supervision.

1. REQUESTS FOR INFORMATION OR ASSISTANCE

Please direct all requests for assistance in Thrift Financial Report (TFR) preparation to your assigned financial reporting analyst in the Office of Thrift Supervision (OTS) Financial Reporting Division (FRD), Dallas, Texas. If you do not know the name or phone number of your assigned FRD analyst, call Doris Jackson at 972-277-9618. If you have questions concerning the electronic filing software or transmission, call Cheyann Houts at 972-277-9617 or Doris Jackson at 972-277-9618.

OTS maintains a series of TFR questions and answers on its web site at www.ots.treas.gov/tfrqanda.html. If you have a question for which you would like an e-mail response, please submit it to your financial reporting analyst or to tfr.instructions@ots.treas.gov.

You may request additional forms and instructions from the OTS by leaving a message at 202-906-6078 or by sending an e-mail to tfr.instructions@ots.treas.gov. Forms and instructions are also available on the OTS web site at www.ots.treas.gov/tfrpage.html.

2. FORMS

The TFR comprises the following schedules:

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| SC | Consolidated Statement of Condition: Assets, liabilities, and equity capital |
| SO | Consolidated Statement of Operations: Income and expense |
| VA | Consolidated Valuation Allowances and Related Data: Reconciliation of valuation allowances, charge-offs and recoveries, and other data on troubled assets |
| PD | Consolidated Past Due and Nonaccrual: Information on delinquent and nonaccrual loans |
| LD | Loan Data: Information on high loan-to-value loans secured by 1-4 family residential properties without PMI or government guarantee |
| CC | Consolidated Commitments and Contingencies: Information on commitments and contingencies |
| CF | Consolidated Cash Flow Information: Information on mortgage, deposit, and other activity affecting cash flow during the quarter |

SI	Consolidated Supplemental Information: Information on deposits, liquidity, QTL, loans to insiders, reconciliation of equity capital, mutual fund sales, and other data
SQ	Consolidated Supplemental Questions: Questions concerning structural and other activity during the quarter
SB	Consolidated Small Business Loans: Data completed annually as of June 30 to comply with Section 122 of the FDIC Improvement Act
HC	Thrift Holding Company: Summary of holding company financial data
CSS	Subordinate Organization Schedule: Listing of information on all subordinate organizations and joint ventures completed annually at December 31
CCR	Consolidated Capital Requirement: Balances necessary to compute the minimum capital requirement
CMR	Consolidated Maturity and Rate: Information on interest rate and repricing/maturity characteristics of selected balance-sheet and off-balance-sheet items

3. FILING DATES

You should file all schedules except CMR electronically no later than the 30th day following the end of the reporting period. You must file Schedule CMR no later than the 45th day following the end of the reporting period.

OTS distributes a filing schedule for regulatory reports to each OTS-regulated institution at the beginning of each year. The filing schedule is also available on our web site at www.ots.treas.gov/tfrpage.html. You should refer to this schedule throughout the year. If you have any questions concerning the OTS filing schedule, please contact Doris Jackson at 972-277-9618.

4. FILING THE TFR

OTS provides all savings associations with software for the electronic filing of the TFR through its contractor, DPSC Software, Inc., a division of Netzee, Inc. The software facilitates the preparation, edit, and transmission of the TFR. Please direct your questions concerning electronic filing to the OTS Financial Reporting Division in Dallas, Texas, at 972-277-9617 or 972-277-9618. Direct your questions regarding hardware requirements to the DPSC technical helpline at 1-800-825-3772 or to its web site at www.dpscsoftware.com.

OTS provides all savings associations with an instruction manual and sample TFR forms. We also provide updates to the instruction manual quarterly as part of the **Financial Reporting Bulletin**. You may obtain additional copies of the sample form and instruction manual from OTS by leaving a message at 202-906-6078 or by sending an e-mail to tfr.instructions@ots.treas.gov. You can also print copies of the sample form from the electronic filing software. Additionally, TFR forms and instructions and financial reporting bulletins are available on OTS's web site at www.ots.treas.gov/tfrpage.html.

Reporting associations should retain at least one copy of the completed TFR for reference; do not send paper copies to the OTS in Washington. Section 7(b)(5) of the Federal Depository Institutions Act requires each insured depository institution to maintain records for verifying the correctness of the institution's insurance assessment for five years from the date of filing.

5. AMENDING THE TFR

To have amendments included in the first public release of the OTS data file, you must transmit them within **50 calendar days** of the end of the quarter; that is, within 20 days after the TFR due date. Amendments submitted after the 50-day period should have the approval of OTS – FRD in Dallas – before transmission. In no case can OTS process amendments beyond 140 days after the end of the quarter. **With every amendment you file, you must also send a user note explaining the reason for the amendment.**

Corrections for material errors in prior-period TFRs should be treated in one of the following ways depending on the time period being corrected:

1. If you can file an amendment within 140 days of the end of the quarter being corrected, transmit the amendment correcting the TFR in which the error occurred after you discuss it with your FRD analyst in Dallas.
2. If the correction is to an income statement in a quarter that can no longer be amended and is within the current calendar year, include the correction with the current TFR in the same data field that would have carried it in the original report. If the adjustment distorts yields or results in negative numbers in fields that do not permit negatives, include the amendment in Other Noninterest Income, SO490, or Other Noninterest Expense, SO580.
3. If the correction is to an income statement for a quarter from a prior calendar year that can no longer be amended, make the adjustment directly to retained earnings on SI670, Other Adjustments to Equity Capital.

You should file TFR amendments electronically, rather than by phone or fax. Amendments filed electronically automatically update your copy of the filing software. Please direct questions regarding the electronic filing of amended TFRs to the OTS Financial Reporting Division in Dallas, Texas, at 972-277-9617 or 972-277-9618.

The amendment filing deadlines above also apply to amending Schedule CMR. All amendments to Schedule CMR must be submitted within 140 days of the end of the quarter.

6. REPORTING BASIS

You must prepare the TFR on a consolidated basis in accordance with generally accepted accounting principles (GAAP). Report subordinate organizations that are not GAAP-consolidated subsidiaries using the equity or cost methods of accounting. **Subordinate organization** is defined by OTS regulation. It includes any corporation, partnership, business trust, association, joint venture, pool, syndicate, or other similar business organization in which a savings association has a direct or indirect ownership interest. It excludes an ownership interest that qualifies as a pass-through investment pursuant to 12 CFR § 560.32 and is so designated by the reporting savings association. GAAP-consolidated subsidiaries as defined in 12 CFR § 559.2 mean entities in which a savings association has a direct or indirect ownership interest and whose assets are consolidated with those of the savings association for purposes of reporting under GAAP.

You should apply GAAP unless we specifically state otherwise in these instructions. Accordingly, the instructions for each data field reflect, to the extent possible, GAAP applicable to savings associations. Note, however, that financial statements of savings associations prepared in accordance with GAAP have flexible presentation formats and may require significantly less detail on a less frequent basis than the TFR. The TFR collects additional detail to facilitate supervision by the OTS and to provide uniform information on industry activities. Certain GAAP reporting and presentation concepts may not be consistent with the conventions and frequency of the TFR. In these cases, the TFR instructions override GAAP presentation practices.

The amounts reported on the TFR must be readily reconcilable to the savings association's books and records.

7. EXEMPTION FROM FILING SCHEDULE CMR

Savings associations with less than \$300 million in assets and with risk-based capital ratios in excess of 12 percent for two consecutive quarters are exempt from filing Schedule CMR. All savings associations newly regulated by the OTS are exempt from filing Schedule CMR for the first two quarters that they are under OTS regulation.

Savings associations lose their exemption from filing Schedule CMR if they do not meet the exemption criteria for two consecutive quarters. A savings association must file Schedule CMR beginning the quarter after the second consecutive quarter in which it does not meet the criteria. For example, if a savings association fails the criteria in March and June, it must file Schedule CMR for the September quarter and each quarter thereafter.

A savings association will also lose its exemption if the OTS Regional Director requires it to file Schedule CMR. The filing must continue until the Regional Director reinstates the exemption in writing.

8. TFR PREPARATION

- a. Reporting associations should round all dollar amounts to the nearest thousand. If any balance sheet data field or other balance as of the end of the reporting period is less than \$500, enter a **1** in the data field to indicate that the amount is not zero. This does not apply to the data fields representing income, expense, and other activity. Where necessary for balancing purposes, make adjustments to the appropriate **other** category.
- b. Certain data fields that we indicate in the instructions and forms as being deducted should not be input as negative; these data fields will be subtracted by the electronic filing software. Indicate these data fields as negative only when the instructions say that the netting of certain amounts within these data fields might result in an amount that should be added rather than subtracted. We identify these data fields in italics on the form and mention them in the accompanying instructions.
- c. You should check all data and prove all totals before and after input. Cross-check data fields that should agree with other data fields. All edit failures indicated in the electronic filing software should be thoroughly verified and corrected where necessary prior to submission. Explain edit exceptions with the user note function of the filing software.
- d. Persons knowledgeable of the overall financial condition and operations of the savings association should review the final TFR. The Officers' and Directors' Certification at the front of the paper copy of the TFR must be signed by an officer and three directors of the savings association for each TFR submitted, including amendments. You must retain this certification form and have it available for inspection by OTS.
- e. Indicate the name and telephone number of the person we should contact if questions arise concerning the TFR. This person should be familiar with OTS's reporting requirements. When someone other than the savings association's personnel prepares the TFR, the contact should be someone who can either answer questions or can quickly obtain such answers from savings association personnel. The name and address of the TFR contact must be correct because we use it to distribute quarterly TFR mailings.